



SENATE REPUBLICAN

POLICY COMMITTEE

Legislative Notice

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H.R. 3043 – Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Bill, 2008

Calendar No. 238

On June 27, the Appropriations Committee reported S 1710 by a vote of 26-3; S. Report 110-107.

Noteworthy

- H.R. 3043 provides \$605.54 billion in total budgetary resources. Of this funding, \$149.87 billion is discretionary budget authority for FY08, which is \$8.95 billion above the Administration's request and \$5.35 billion above the FY07 enacted level.
- Major spending differences between the Senate-reported bill and the Administration's request include: Training and Employment Services (+\$615.1 million); Job Corps (+\$137.5 million); Health Resources and Services Administration (+\$1.05 billion); Centers for Disease Control (+\$440.5 million); National Institutes of Health (+\$1.28 billion); Substance Abuse and Mental Health Services Administration (+\$231.7 million); Centers for Medicare and Medicaid Services Grants to States (+\$374.0 million); Administration for Children and Families (+\$1.35 billion); Education for the Disadvantaged Account (+\$821.3 million); School Improvement Programs (+\$500.2 million); Safe Schools and Citizenship Education (+\$372.9 million); Special Education (+\$845.2 million); Career, Technical, and Adult Education (+\$705.0 million); and Student Financial Assistance (+\$1.97 billion).
- H.R. 3043 provides \$45.7 million for the Office of Labor-Management Standards, which is \$11.1 million below the Administration's request and \$2.0 million below the FY07 enacted level.
- On July 19, the House passed H.R. 3043, its version of the Labor, Health and Human Services, and Education, and Related Agencies Appropriations bill, by a vote of 276-140.
- The White House Statement of Administration Policy (SAP) concerning the Senate version of H.R. 3043 included two veto threats, one for the overall funding level and another related to a stem cell provision.

Highlights

(FY08 budget authority—amount in billions)

(in billions)	President's Request	Senate-reported Bill
Title I Department of Labor	\$ 13.94	\$ 14.89
Title II Department of Health and Human Services	474.06	479.11
Title III Department of Education	59.10	62.98
Title IV Related Agencies	54.47	50.74

Bill Provisions

Title I – Department of Labor

Title I provides \$14.89 billion for the Department of Labor, which is \$958.1 million above the Administration's request and \$209.1 million above the FY07 enacted level. Significant spending accounts include:

Employment and Training Administration: Provides \$8.97 billion for the Employment and Training Administration, which is \$765.9 million above the Administration's request and \$86.0 million above the FY07 enacted level.

- **Training and Employment Services:** Provides \$3.59 billion for Training and Employment Services, which is \$615.1 million above the Administration's request and \$30.9 million above the FY07 enacted level.
- **Federal Unemployment Benefits and Allowances:** Provides \$888.7 million for Federal Unemployment Benefits and Allowances, which is equal to the Administration's request, but \$51.1 million above the FY07 enacted level.
- **State Unemployment Insurance and Employment Service Operations:** Provides nearly \$3.39 billion for State Unemployment Insurance and Employment Service Operations, which is \$47.9 million above the Administration's request and \$46.3 million above the FY07 enacted level.

Employee Benefits Security Administration (EBSA): Provides \$143.3 million for the EBSA, which is \$4.2 million below the Administration's request, but \$1.7 million above the FY07 enacted level.

Pension Benefit Guaranty Corporation (PBGC): Provides \$411.2 million for the PBGC, which is equal to the Administration's request, but \$5.8 million above the FY07 enacted level.

Employment Standards Administration (ESA): Provides \$2.08 billion for the ESA, which is \$9.2 million below the Administration's request and \$32.6 million below the FY07 enacted level.

- **Office of Labor-Management Standards:** Provides \$45.7 million for the Office of Labor-Management Standards, which is \$11.1 million below the Administration's request and \$2.0 million below the FY07 enacted level.

Occupational Safety and Health Administration (OSHA): Provides \$498.4 million for OSHA, which is \$8.2 million above the Administration's request and \$11.5 million above the FY07 enacted level.

Mine Safety And Health Administration (MSHA): Provides \$330.0 million for MSHA, which is \$16.6 million above the Administration's request and \$28.5 million above the FY07 enacted level.

Bureau of Labor Statistics (BLS): Provides \$560.0 million for the BLS, which is \$14.4 million below the Administration's request, but \$11.9 million above the FY07 enacted level.

International Labor Affairs: Provides \$82.5 million for International Labor Affairs, which is \$68.4 million above the Administration's request and \$10.0 million above the FY07 enacted level.

Job Corps: Provides \$1.66 billion for the Job Corps, which is \$137.5 million above the Administration's request and \$81.6 million above the FY07 enacted level.

Veterans Employment and Training: Provides \$228.2 million for Veterans Employment and Training, which is \$102,000 above the Administration's request and \$5.0 million above the FY07 enacted level.

General Provisions: Title I includes proposals that have been incorporated into previous appropriations bills, provisions requested by the Department of Labor, and new provisions, some of which are opposed by the Administration. Notable sections include:

- Section 109, which prohibits OMB Circular A-76 competitions until 60 days after the House and Senate Appropriations Committees receive a GAO report; and
- Section 110, which mandates a revision to the MSHA belt air standard by June 20, 2008 and mandates regulations requiring the installation of rescue chambers by June 20, 2008.

Title II – Department of Health and Human Services

Title II provides a total of \$479.11 billion for the Department of Health and Human Services, which is \$5.01 billion above the Administration's request and \$54.58 billion above the FY07 enacted level. Significant spending accounts include:

Health Resources and Services Administration (HRSA): Provides nearly \$6.91 billion for the HRSA, which is \$1.05 billion above the Administration's request and \$454.2 million above the FY07 enacted level.

- **Ryan White AIDS Program:** Provides \$2.15 billion for the Ryan White AIDS Program, which is \$13.0 million above the Administration's request and \$33.1 million above the FY07 enacted level.
- **National Cord Blood Inventory:** Provides \$12.0 million for the National Cord Blood Stem Cell Bank, which is \$10.0 million above the Administration's request and \$8.0 million above the FY07 enacted level.
- **Health Care-related Facilities and Activities:** Provides \$191.2 million for Health Care-related Facilities and Activities. The Administration did not request such funding and the FY07 enacted bill also did not include such funding.

Centers for Disease Control (CDC): Provides \$6.16 billion for the CDC, which is \$440.5 million above the Administration's request and \$219.6 million above the FY07 enacted level.

National Institutes of Health (NIH): Provides \$28.90 billion for the NIH, which is \$1.28 billion above the Administration's request and \$1.00 billion above the FY07 enacted level.

Substance Abuse and Mental Health Services Administration (SAMHSA): Provides \$3.28 billion for the SAMHSA, which is \$231.7 million above the Administration's request and \$72.0 million above the FY07 enacted level.

Center for Medicare and Medicaid Services Grants to States: Provides \$401.38 billion for the Center for Medicare and Medicaid Services Grants to States, which is \$374.0 million above the Administration's request and \$51.21 billion above the FY07 enacted level.

- **Grants to States for Medicaid:** Provides \$141.63 billion for Grants to States for Medicaid, which is equal to the Administration's request and \$36.16 billion below the FY07 enacted level.
- **Health Care Fraud and Abuse Control:** Provides \$383.0 million for Health Care Fraud and Abuse Control, which is \$200.0 million above the Administration's request and \$383.0 million above the FY07 enacted level.

Administration for Children and Families: Provides \$27.03 billion in discretionary budget authority for Children and Families Services Programs, which is \$1.35 billion above the Administration's request and \$148.2 million above the FY07 enacted level.

- **Low Income Home Energy Assistance Program (LIHEAP):** Provides \$2.16 billion for LIHEAP, which is \$379.2 million above the Administration's request and equal to the FY07 enacted level.
- **Head Start:** Provides \$7.09 billion for Head Start, which is \$300.0 million above the Administration's request and \$200.0 million above the FY07 enacted level.

- **Abstinence Education:** Provides \$84.9 million for Abstinence Education, which is \$56.2 million below the Administration's request and \$28.5 million below the FY07 enacted level.
- **Payments to States for Foster Care and Adoption:** Provides \$6.88 billion for Payments to States for Foster Care and Adoption, which is equal to the Administration's request, but \$235.0 million above the FY07 enacted level.

Administration on Aging: Provides \$1.44 billion for the Administration on Aging, which is \$106.4 million above the Administration's request and \$58.6 million above the FY07 enacted level.

Office of the National Coordinator for Health Information Technology (ONC): Provides \$71.0 million for ONC, which is \$46.9 million below the Administration's request, but \$9.7 million above the FY07 level.

Title III – Department of Education

Title III of the bill provides \$62.98 billion for the Department of Education, which is \$3.88 billion above the Administration's request and \$2.67 billion above the FY07 enacted level. Significant spending accounts include:

Education for the Disadvantaged Account: Provides \$15.87 billion for Education for the Disadvantaged, which is \$821.3 million below the Administration's request, but \$1.14 billion above the FY07 enacted level.

- **Targeted Grants Program:** Provides \$2.87 billion for the Targeted Grants Program, which is \$598.4 million below the Administration's request, but \$535.9 million above the FY07 enacted level.
- **Reading First:** Provides \$800.0 million for Reading First State Grants, which is \$218.7 million below the Administration's request and \$229.2 million below the FY07 enacted level.
- **Math Now:** Does not provide funding for Math Now programs. The Administration requested \$250.0 million for Math Now programs for elementary and middle school students. This program was authorized in the COMPETES bill (P.L. 110-69).

School Improvement Programs: Provides \$5.20 billion for School Improvement Programs, which is \$500.2 million above the Administration's request, but \$57.0 million below the FY07 enacted level.

Innovation and Improvement: Provides \$962.9 million for Innovation and Improvement, which is \$40.9 million above the Administration's request and \$125.2 million above the FY07 enacted level.

- **Teacher Incentive Fund:** Provides \$99.0 million for the Teacher Incentive Fund, which is \$100.0 million below the Administration's request, but \$98.8 million above the FY07 enacted level.
- **Advanced Placement:** Provides \$42.0 million for Advanced Placement programs, which is \$80.2 million below the President's request, but \$5.0 million above the FY07 enacted level.

Safe Schools and Citizenship Education: Provides \$697.1 million for Safe Schools and Citizenship Education, which is \$372.9 million above the Administration's request, but \$32.4 million below the FY07 enacted level.

Special Education: Provides \$12.33 billion for Special Education, which is \$845.2 million above the Administration's request and \$527.5 million above the FY07 enacted level.

Rehabilitation Services: Provides \$3.29 billion for Rehabilitation Services, which is \$65.8 million above the Administration's request and \$44.4 million above the FY07 enacted level.

Career, Technical, and Adult Education: Provides \$1.89 billion for Career, Technical, and Adult Education, which is \$705.0 million above the Administration's request, but \$97.4 million below the FY07 enacted level.

Student Financial Assistance: Provides \$16.37 billion for Student Financial Assistance, which is \$1.97 billion above the Administration's request and \$826.4 million above the FY07 enacted level.

- **Federal Pell Grant Program:** Provides \$14.49 billion for the Federal Pell Grant Program, which is \$1.07 billion above the Administration's request and \$826.3 million above the FY07 enacted level. This funding level will maintain a maximum Pell Grant award level of \$4,310.¹

Higher Education: Provides \$2.03 billion for Higher Education, which is \$183.2 million above the Administration's request and \$77.2 million above the FY07 enacted level.

- **Federal TRIO Programs:** Provides \$858.2 million for Federal TRIO Programs, which is \$30.0 million above the Administration's request and \$30.0 million above the FY07 enacted level.

Howard University: Provides \$237.4 million for Howard University, which is \$3.5 million above the Administration's request and \$1,000 above the FY07 enacted level.

General Provisions: Title III also includes proposals that have been incorporated into previous appropriations bills, provisions requested by Department of Education, and new provisions. Notable sections include:

¹ The Higher Education Access Act of 2007 (P.L. 110-84) authorized the maximum level to \$4,800 for academic years 2008-2009. Historically, the appropriated amount is less than the authorized amount for Pell grants.

- Section 305, which prohibits the Department of Education from enforcing or issuing new regulations regarding recognition of accreditation agencies that alter those in place on June 1, 2007, until legislation is passed calling for such revisions.

Title IV – Related Agencies

Title IV provides \$50.74 billion for Related Agencies, which is \$654.2 million above the Administration's request, but \$3.74 billion below the FY07 enacted level. Significant spending accounts include:

Corporation for National Community Service: Provides \$880.9 million for the Corporation for National Community Service, which is \$52.2 million above the Administration's request, but \$3.6 million below the FY07 enacted level.

Corporation for Public Broadcasting: Provides \$400.0 million in advance appropriations for FY09, which is equal to the Administration's request. The comparable funding level provided last year was \$400.0 million for FY08.

National Labor Relations Board (NLRB): Provides \$257.0 million for the NLRB, which is \$750,000 above the Administration's request and \$5.5 million above the FY07 enacted level.

Social Security Administration (SSA): Provides \$9.37 billion for the administrative expenses of the agency, and an additional \$96.0 million for the SSA's Inspector General.

Administration Position

The White House Statement of Administration Policy (SAP) concerning the Senate version of H.R. 3043 included two veto threats, one for the overall funding and another related to stem cells.

The SAP stated, "The Administration strongly opposes provisions in this bill that overturn the President's policy regarding human embryonic stem cell research. On June 20, the President issued an Executive Order that strengthens research using pluripotent stem cells – cells that have the potential to develop into nearly all the cell types and tissues in the body – without endangering human life in the process. The President believes that by enacting appropriate policy safeguards while encouraging the development of novel scientific techniques, it is possible to advance scientific and medical frontiers without violating moral principles. The bill language is a transparent attempt to reverse the clear policy the President has implemented on the ethical conduct of stem cell research. As a result, and consistent with the President's May 3rd letter, if any such provisions were included in the final version of the bill presented to the President, he would veto the bill."

Cost

The Committee, in consultation with the Congressional Budget Office, estimates that the bill provides \$149.87 billion in FY08 discretionary budget authority; \$147.18 billion in discretionary outlays (which includes outlays from prior-year budget authority); \$455.28 billion in mandatory budget authority; and \$455.16 billion in mandatory outlays for FY08.

H.R. 3043 would result in the following outlays:

FY 2008	\$512.978 billion ²
FY 2009	\$65.622 billion
FY 2010	\$14.711 billion
FY 2011	\$3.331 billion
FY 2012	\$0.659 billion
(and future years)	

Possible Amendments

There will likely be numerous amendments on the floor, including amendments dealing with stem cell research, Title I Education, the Individuals with Disabilities Education Act, the Office of Labor Management and Standards, and Head Start programs.

Of note, it is expected that an amendment will be offered to strike language in the bill which would supersede guidelines from the Administration which state that only stem cell lines derived by August 9, 2001 are eligible for NIH-funded research. Only 21 stem cell lines meet this criteria. The bill language would expand the eligible stem cell lines by allowing stem cell lines derived by June 15, 2007.

² Excludes outlays from prior-year budget authority.